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MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE, MARKETING AREA

U. S. DEPT. OF AGRICULTURE  
NATIONAL ARCHIVES

Volume 17

JULY 1973

AUG 1973  
Number 12

Released Pursuant to \$1000.3 and \$1090.85, USDA - AMS  
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411  
J. E. Bobo, Market Administrator

MARKET SUMMARY - JULY 1973

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$7.44 and Excess Milk - \$5.78. The producer butterfat differential is 7.4 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 84 cents and 77 cents respectively above July 1972.

In July 1973, 75.5% of producer milk received by pool plants was priced in Class I at \$7.81 per cwt. and 24.5% was priced in Class II at \$5.78 per cwt. The July butterfat differential for Class I was 7.3 cents and Class II was 7.3 cents.

Total producer milk received during July 1973 was 31,333,436 pounds which is a decrease of 4,470,058 pounds or 12.5% compared with July 1972. Deliveries of producer Base milk exceeded producer milk used in Class I by 5,439,719 pounds or percentage wise only 81.3% of Base milk was used in Class I. The July daily average deliveries from 630 producers was 1,604 pounds. This compares to 741 farms delivering a daily average of 1,559 pounds per day during July 1972.

PRODUCER MILK BASE NOTICE

Producers delivering milk to Chattanooga pool plants will be paid a uniform price for their total milk deliveries during August 1973 through February 1974. Each producer for the Chattanooga marketing area will begin September 1, 1973, to establish a new milk base to be used in making payment to such producer during the months of March through July 1974. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, especially partnerships, are urged to see that their name(s) is correctly listed with the receiving plant and the Market Administrator, P. O. Box 8085, Chattanooga, Tennessee 37411.

PLANTS DISTRIBUTING MILK IN CHATTANOOGA FEDERAL ORDER NO. 90 AREA - JULY 1973

POOL PLANTS - CHATTANOOGA

Dairymen, Inc., Chattanooga, TN  
Happy Valley Farms, Inc., Rossville, GA  
Mayfield Dairy Farms, Inc., Athens, TN  
Ray Moss Farms, Inc., Chattanooga, TN

Federal Order No. 98, Nashville  
Avalon Dairies, Inc., McMinnville, TN  
Sealtest Foods, Nashville, TN

Federal Order No. 101, Knoxville  
Broadacre Dairies, Inc., Powell, TN  
Pet, Inc., Knoxville, TN  
Wolf Enterprises, Inc., Knoxville, TN

PARTIALLY REGULATED

Federal Order No. 90, Chattanooga  
The Great A&P Tea Co., High Point NC  
Coble Dairy Products Co-op. Inc., Anderson, SC  
Tro-Fe Dairy Co., Inc., Gadsden, AL

Federal Order No. 7, Georgia  
Dempsey Brothers Dairies, Inc., Rome, GA  
Meadowbrook Dairy, Inc., Calhoun, GA  
Meadow Gold Dairies of Ga., Cedartown, GA  
Superbrand Dairy Prods., Montgomery, AL

Federal Order No. 33, Ohio Valley  
Kroger Co., Springdale, OH

COMPARISON OF MILK RECEIPTS AND UTILIZATION

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	% July '73			
	Over	July	June	July
	<u>July '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
Number of Plants - Pool		<u>4</u>	<u>6</u>	<u>7</u>
- Non-Pool		13	12	14
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	-12.5	1,010,756	1,187,209	1,154,951
Other Source	+15.7	35,293	32,256	30,493
Other Federal Orders	-45.3	<u>82,427</u>	<u>54,062</u>	<u>150,657</u>
TOTAL MILK RECEIPTS	-15.5	1,128,476	1,273,527	1,336,101
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	-11.6	377,666	440,702	427,279
Skim	- 4.0	20,338	24,304	21,185
2% Milk	+ 4.9	148,883	171,552	141,917
Buttermilk	- 7.3	54,028	63,550	58,273
Flavored Milk and Drink	-10.2	23,433	26,167	26,089
Creams (Sweet and Sour)	- 2.0	3,731	4,169	3,806
Yogurt	-26.9	<u>423</u>	<u>1,113</u>	<u>579</u>
Pkg. Items Sub-Total (Pool Plants)	- 7.5	628,502	731,557	679,128
Other (Shrinkage, Inventory, etc.)		2,782	(1,693)	13,478
Sales to Non-Pool Plants	-24.7	133,180	66,480	176,814
In-Area Sales by Non-Pool Plants	+125.7	<u>92,959</u>	<u>47,358</u>	<u>41,187</u>
TOTAL CLASS I MILK	- 5.8	857,423	843,702	910,607
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+20.1	80,874	81,011	67,360
Cottage Cheese	+26.1	59,897	58,706	47,501
Powdered and Condensed Milk		-0-	-0-	-0-
Livestock Feed and Milk Dumped		5,259	9,123	9,361
Sub-Total - Used to Produce	+17.6	<u>146,030</u>	<u>148,840</u>	<u>124,222</u>
Shrinkage Class II		16,669	16,471	18,926
Other (Inventory Variation, etc.)		6,363	(11,451)	7,859
Bulk Sales to Non-Pool Plants	-62.8	<u>101,991</u>	<u>275,965</u>	<u>274,487</u>
TOTAL CLASS II MILK	-36.3	271,053	429,825	425,494
<u>CLASS I PACKAGED POUNDS</u>				
Distributed In Area - Pool Plants	- 9.1	439,970	508,650	484,199
Distributed Out of Area - Pool Plants	- 3.3	188,532	222,907	194,929
Distributed In Area - Non-Pool Plants	+125.7	92,959	47,358	41,187
 % Producer Milk of Gross Class I		117.9	140.7	126.8
% Producer Milk Priced in Class I		75.5	65.7	69.8

TOTAL PACKAGE CLASS I POUNDS (DAILY AVERAGE) ON ROUTES IN THE  
MARKETING AREA BY POOL PLANTS AND NON-POOL PLANTS

	% July '73			
	Over	July	June	July
<u>PACKAGE ITEMS</u>	<u>July '72</u>	<u>1973</u>	<u>1973</u>	<u>1972</u>
Homo Milk	- 3.0	335,216	349,362	345,754
Skim	+ 5.6	15,817	17,207	14,972
2% Milk	+18.6	111,209	114,336	93,766
Buttermilk	+ .6	47,089	50,588	46,806
Flavored Milk and Drink	- 3.9	19,848	20,633	20,651
Fluid Creams and Yogurt	+ 9.1	<u>3,750</u>	<u>3,882</u>	<u>3,437</u>
 Class I Package Pounds - In Area	+ 1.4	532,929	556,008	525,386



COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES  
AND WEIGHTED AVERAGE PRICE

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JULY 1973	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		26,580,107	3.003		
Less Other Source		2,915,531	2.800		
Producer Milk Class I	75.5	23,664,576	3.028210	\$7.465593	\$1,766,700.93
Gross Class II		8,402,658	5.101		
Less Other Source		733,798	0.457		
Producer Milk Class II	24.5	7,668,860	5.545153	7.272962	557,753.27
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	31,333,436	3.644232		\$2,324,454.20
Add Fractional Adjustment					.01
Add Value of Class I Other Source and Producer Location Adjustment		5,647	0.00		1,226.52
Add ½ Producer-Settlement Fund Reserve					14,341.01
TOTAL VALUE AT TEST		31,339,083	3.643575	\$7.466784	\$2,340,021.74
Less Test over 3.5% @ 7.4¢ per point		31,339,083	.143575	0.106246	33,296.52
TOTAL UTILIZATION VALUE AT 3.5%		31,339,083	3.5	\$7.360538	\$2,306,725.22
Less Producer Settlement Fund Reserve		31,339,083		.040538	
WEIGHTED AVERAGE PRICE - 3.5% TEST		31,339,083	3.5	\$7.32	
Less FMP from Unregulated Supply Plants Allocated to Class I @ Wt. Av. Price		5,647		\$7.32	413.36
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		31,333,436			\$2,306,311.86

BASE AND EXCESS PRICES

	Milk Pounds	Cwt.Price @ Test	Amount	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	31,333,436			\$2,306,311.86
Excess Producer Milk Used in Class I	-			
Excess Producer Milk Used in Class II	2,229,141	\$5.78	\$128,844.35	
UNIFORM EXCESS PRICE - 3.5% TEST	2,229,141	5.78		128,844.35
Total Value of Base Milk	29,104,295	7.481602		\$2,177,467.51
Less Producer-Settlement Fund Reserve	29,104,295	.041602		12,107.97
UNIFORM BASE PRICE - 3.5% TEST	29,104,295	\$7.44		\$2,165,359.54

JULY 1973 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS  
BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$7.07	\$5.41	4.0	\$7.81	\$6.15	5.0	\$8.55	\$6.89
3.05	7.107	5.447	4.05	7.847	6.187	5.05	8.587	6.927
3.1	7.144	5.484	4.1	7.884	6.224	5.1	8.624	6.964
3.15	7.181	5.521	4.15	7.921	6.261	5.15	8.661	7.001
3.2	7.218	5.558	4.2	7.958	6.298	5.2	8.698	7.038
3.25	7.255	5.595	4.25	7.995	6.335	5.25	8.735	7.075
3.3	7.292	5.632	4.3	8.032	6.372	5.3	8.772	7.112
3.35	7.329	5.669	4.35	8.069	6.409	5.35	8.809	7.149
3.4	7.366	5.706	4.4	8.106	6.446	5.4	8.846	7.186
3.45	7.403	5.743	4.45	8.143	6.483	5.45	8.883	7.223
3.5	7.44	5.78	4.5	8.18	6.52	5.5	8.92	7.26
3.55	7.477	5.817	4.55	8.217	6.557	5.55	8.957	7.297
3.6	7.514	5.854	4.6	8.254	6.594	5.6	8.994	7.334
3.65	7.551	5.891	4.65	8.291	6.631	5.65	9.031	7.371
3.7	7.588	5.928	4.7	8.328	6.668	5.7	9.068	7.408
3.75	7.625	5.965	4.75	8.365	6.705	5.75	9.105	7.445
3.8	7.662	6.002	4.8	8.402	6.742	5.8	9.142	7.482
3.85	7.699	6.039	4.85	8.439	6.779	5.85	9.179	7.519
3.9	7.736	6.076	4.9	8.476	6.816	5.9	9.216	7.556
3.95	7.773	6.113	4.95	8.513	6.853	5.95	9.253	7.593

## CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
July '72	\$6.46 2/	\$6.60	\$5.01	8.0¢	\$7.09	8.1¢	\$5.01	7.8¢
Aug.	6.50	-	-	8.0	7.10	8.1	5.07	8.0
Sept.	6.72	-	-	8.2	7.16	8.3	5.10	8.1
Oct.	6.73	-	-	8.2	7.22	8.4	5.18	8.0
Nov.	6.92	-	-	8.2	7.25	8.3	5.32	8.0
Dec.	6.91	-	-	8.2	7.33	8.3	5.41	8.1
Jan. '73	6.90	-	-	8.2	7.47	8.5	5.43	7.8
Feb.	7.10	-	-	8.0	7.56	8.1	5.45	7.8
Mar.	6.95 2/	7.07	5.55	7.8	7.58	8.1	5.55	7.4
Apr.	6.80 2/	6.95	5.63	7.4	7.60	7.7	5.63	7.1
May	6.94 2/	7.10	5.66	7.2	7.70	7.4	5.66	7.0
June	7.10 2/	7.24	5.73	7.2	7.78	7.3	5.73	7.0
July	7.32 2/	7.44	5.78	7.4	7.81	7.3	5.78	7.3
Aug.	-	-	-	-	7.88	7.6	-	-
Sept.	-	-	-	-	7.93	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE					
	Chi. 92°	Chi. Area	Minn/Wisc.	(Daily Average)				Percentage Use	
	Butter ¢ Lb.	Powder ¢ Lb.	Mfg. Milk Cwt. -3.5%	Class I Pounds	Test-%	Class II Pounds	Test-%	Cl. I	Cl. II
July '72	67.84	31.45	\$5.01	806,185	3.19	348,766	4.79	69.8	30.2
Aug.	69.50	31.67	5.07	881,026	3.15	367,422	4.72	70.6	29.4
Sept.	70.25	31.83	5.10	1,013,082	3.21	276,604	5.24	78.6	21.4
Oct.	69.38	33.70	5.18	988,985	3.21	302,983	5.74	76.5	23.5
Nov.	69.29	34.99	5.32	981,185	3.17	198,072	7.50	83.2	16.8
Dec.	70.49	37.36	5.41	920,115	3.15	254,774	6.93	78.3	21.7
Jan. '73	67.72	39.06	5.43	885,877	3.04	316,704	6.53	73.7	26.3
Feb.	67.71	40.34	5.45	959,795	3.09	267,892	7.19	78.2	21.8
Mar.	64.17	41.99	5.55	888,264	3.01	373,861	5.92	70.4	29.6
Apr.	61.58	43.98	5.63	767,656	3.02	540,208	4.95	58.7	41.3
May	61.00	45.20	5.66	793,404	2.93	484,871	4.80	62.1	37.9
June	61.00	45.24	5.73	779,652	2.98	407,557	4.87	65.7	34.3
July	63.43	45.51	5.78	763,373	3.03	247,383	5.55	75.5	24.5

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Handler	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
July '72	21	1,336,101	910,607	7	741	1,154,951	1,053,562	3.67	1,559
Aug.	20	1,399,884	986,748	7	784	1,248,448	-	3.61	1,592
Sept.	20	1,431,164	1,123,583	7	786	1,289,686	-	3.64	1,641
Oct.	19	1,440,419	1,096,711	7	778	1,291,968	-	3.80	1,661
Nov.	18	1,306,518	1,054,189	7	722	1,179,257	-	3.90	1,633
Dec.	19	1,295,846	981,606	7	723	1,174,889	-	3.97	1,625
Jan. '73	18	1,301,289	958,995	6	769	1,202,581	-	3.96	1,564
Feb.	18	1,315,283	1,026,601	6	745	1,227,687	-	3.99	1,648
Mar.	18	1,354,127	956,276	6	739	1,262,125	1,162,997	3.87	1,708
Apr.	18	1,412,799	839,607	6	732	1,307,864	1,162,188	3.82	1,787
May	18	1,367,832	861,685	6	726	1,278,275	1,140,405	3.64	1,761
June	18	1,273,527	843,702	6	720	1,187,209	1,076,817	3.63	1,649
July	17	1,128,476	857,423	4	630	1,010,756	938,848	3.64	1,604

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I